

Washington State Carbon Tax Principles

- *The current Clean Air Rule must be repealed*
- *Start tax at a reasonable level with a reasonable escalator*
- *Cost control/containment, use of offsets, other*
- *Use of revenue*
 - *Reduce business tax for EITE*
 - *Available as incentives to all for carbon reduction projects*
- *Don't pay twice in states with carbon policy where we export to or import from*
- *Transparency:*
 - *Point of Regulation as close as possible to combustion*
 - *Fuels covered at rack*
- *Treat all sources of energy/emissions equally – i.e. all subject to same carbon price*
- *Appropriately limit scope – no coverage of jet fuel, marine fuel, exports, etc.*
- *Economy-wide approach; i.e. all emissions covered*
 - *Without exempting EITE from the carbon price/program, mitigate impact (ie cut other tax)*
 - *Correctly identify EITE entities w/o politics*
- *All large stationary sources who use energy should be included*
- *Circuit breaker if business/consumer impact too high*
- *Prohibition on additional carbon policies on emission sources subject to the tax*
- *Legislative reauthorization at reasonable intervals*
- *The design of the program should be apparent in the proposal – w/o over-reliance on embedded references to other statutes.*